No.

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UNRESTRICTED

NEW LEBANESE LAW INCREASING WAGES AND SALARIES IN COMMERCE AND INDUSTRY.

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As reported in this Legation's Economic and Financial Review No.23 of August 10, 1944, the Lebanese Government examined for private enterprises a scale of wage increases that would be acceptable to the workers. After various conferences with the local trade unions, the Government submitted to the Parliament a labor wages bill which, after a long and acrimonious debate, became a law on September 30, 1944. The text of the law reads as follows (see Journal Officiel de la République Libanaise No.40 of October 4, 1944, on file at the Department):

"Article 1. On the basis of the wage scale established by Legislative Decree No.29 of May 12, 1943, and in force on December 31, 1943, an increase shall be made in the following proportions as from May 1, 1944:

30% on the first 25 pounds
25% on the second portion of 25 pounds
22% on the third portion of 25 pounds
20% on the fourth portion of 25 pounds
15% on the next portion of 50 pounds
12% on the portions over 150 pounds.

Article 2. Article 7 of Legislative Decree No.29 of May 12, 1943, is hereby abolished. The provisions of Article 1 of Legislative Decree No.29 as amended by the preceding Article of the present decree shall not apply to government employees or others whose salaries were already adjusted provided that increases previously granted were not less than those fixed in the preceding article. In case such increases prove to be higher than the fixed minimum, they shall be considered as a right acquired by the employee.

Article 3. This law shall be published in the Journal Officiel."

The wage scale

The wage scale in force as of December 31, 1943, was established by Decree No.29/ET of May 12, 1943, the provisions of which were covered in detail in this Legation's report No.28 of May 17, 1943, entitled Adjustment of Minimum Salaries and Wages and Salary and Wage Increases in Commerce and Industry", required employers to grant their employees salary increases ranging from 30% to 180% based on salaries paid on December 31, 1939.

The new law of September 30, 1944, with retroactive effect as from May 1, 1944, retains, with the exception of Article 7 as stated above, all of the provisions of Decree No.29/ET and any new wage increases will be in addition thereto. An employee, for example, whose monthly salary was 300 Lebanese pounds on December 31, 1939, and 472.50 on December 31, 1943, will now receive 547.95 Lebanese pounds, or an increase of 82% over his pre-war salary; this in addition to the family allowance granted by the Decree No.29/ET above mentioned.

The reaction from the employees and employers on the passage of this bill was one of dissatisfaction, the opinion being expressed in labor circles that the increase granted was not sufficient to meet the present high cost of living, while in business circles it was stated that the passage of this law would be reflected in even higher cost of living.

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Hectograph to Department.
Copy to American Legation, Damascus.
Copy to Director of American Economic Mission - Middle East, Cairo.